



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

Near East & South Asia

ALGERIA

19980128 140

DTIC QUALITY INSPECTED 2

DISTRIBUTION STATEMENT A

**Approved for public release;
Distribution Unlimited**

Near East & South Asia

ALGERIA

JPRS-NEA-93-023

CONTENTS

23 February 1993

POLITICAL

International Affairs

Dumas's Visit: Position on Debt Unclear [ALGER REPUBLICAIN 10 Jan]	1
Training, Role of Afghans Discussed [EL WATAN 29 Dec]	1
'Afghan' on Training in Peshawar [ALGER REPUBLICAIN 29 Dec]	2

Internal Affairs

Woman Journalist Discusses Imprisonment [LE SOIR D'ALGERIE 12 Jan]	2
Citizens Asked To Turn in Arms [LE SOIR D'ALGERIE 11 Jan]	3
Citizens' Response to Terrorists Analyzed [L'HEBDO LIBERE 13-19 Jan]	3
Homeless Receive Shelter Due to Curfew [ALGER REPUBLICAIN 23 Dec]	8
Aures: Police Uncover Arms Cache [EL WATAN 29 Dec]	8
Book Published: Crimes by Former FIS Members [ALGER REPUBLICAIN 14 Jan]	9

ECONOMIC

Trebendo Flourishes to Detriment of Local Markets [LA VIE ECONOMIQUE 15 Jan]	10
Projects To Revitalize Textile Industry [ALGER REPUBLICAIN 14 Jan]	11
Deficit in Electricity Production 'Persists' [LA VIE ECONOMIQUE 15 Jan]	12
Creation of CNES Revisited for 1993 [EL WATAN 29 Dec]	12
Lack of Trade Laws Said Stifling Accords [LE SOIR D'ALGERIE 10 Jan]	13
Market Economy Reportedly Not in Near Future [ALGER REPUBLICAIN 11-12 Jan]	14

International Affairs

Dumas's Visit: Position on Debt Unclear

93AF0361E Algiers ALGER REPUBLICAIN in French
10 Jan 93 p 3

[Article by Mourad Metahri: "Honeymoon?"]

[Text] Roland Dumas describes his visit to Algeria as "very successful." It does not seem that those are just words spoken at a press conference.

France's minister of foreign affairs was received not only by his Algerian counterpart but also by our country's highest authorities, notably four members of the Higher State Council, including the president and the head of the government. Roland Dumas' meeting with Major General Khaled Nezzar took place in the presence of the chief of staff and several other senior officers. It should be noted that that meeting was not part of the schedule.

This visit by Roland Dumas seems to be providing an impetus to bilateral relations. For example, we were informed at yesterday's press conference in Djenane El Mithak of "the establishment of a system of regular meetings" between the authorities of the two countries. "The ministers of foreign affairs will meet with each other twice a year," and there will be many meetings between high-ranking officials. That constitutes a genuine strengthening of Algerian-French relations.

Are we going to witness a new honeymoon between Algiers and Paris? The political obstacles to healthier relations seem to have been partially removed. "France condemns terrorism," Roland Dumas declared yesterday. For his part, the spokesman for the French Ministry of Foreign Affairs remarked on Thursday that it was with "concern" that "France has watched the rise of intolerance in Algeria under cover of democracy." In his message to Ali Kafi, Francois Mitterrand said: "In my opinion, it is important first of all to dispel all the causes of misunderstanding that may have arisen during 1992."

The open support that the FIS [Islamic Salvation Front] once found in France no longer seems to be acceptable, and during the press conference, Dumas was careful to draw attention to the expulsions of fundamentalists from French territory.

Economic matters were apparently not given short shrift during Roland Dumas' meetings with Algerian authorities. The meeting with the head of the government was concerned in particular with those issues. A message and an official invitation to visit Paris, both from Beregovoy, were conveyed to him. Roland Dumas said he had received "assurance that the move toward a market economy will continue." He stated that "concrete aid" would be provided in 1993. But he was reticent about stating the amount of that aid, saying that while he was not opposed to announcing the figure, it was not his place to do so.

Naturally, the question of the debt was brought up. The minister of foreign affairs said that "France will participate in reducing the Algerian debt," that there will be

"action at the bilateral level," and that "it can be considered that there is agreement in principle." Does this mean that France would be in favor of a bilateral rescheduling of debt insured by Coface [French Foreign Trade Insurance Company]? Nothing was said at the press conference to make one think so. What Roland Dumas did do was stress respect for "international rules." But he said at another point that "alongside the classic, restricting formulas, other formulas may emerge." Can we understand from this that going through the Paris Club is no longer required? We hope to have more details after the announced visits within the next few days by the director of the Treasury and the minister of finance.

On another subject—a very sensitive one for Algerian citizens—Dumas said he was hoping that the procedures for granting visas would be made less strict. He talked about a shorter wait, humanization, and special categories, including that of students.

Training, Role of Afghans Discussed

93AF0326B Algiers EL WATAN in French 29 Dec 92
p 3

[Article by M. Belhadi: "The Setif Underground Dismantled: Confessions of an 'Afghan'"]

[Text] *Members of terrorist groups recently dismantled in Setif, so-called Afghans just back from Peshawar, Pakistan, have retraced the itinerary of young Algerians sent to that faraway country for weapons training.*

Setif—Implicated in acts of sabotage, including the destruction of electric poles and telephone equipment, and the attempted assassination of law enforcement officers, these elements have avowed membership in the MIA [Armed Islamic Movement]. Upon completion of training in Afghanistan, usually lasting from seven to eight months, new recruits are immediately sent to regional assignments.

The Setif elements were contacted by one "Redha" at a private home not far from Setif before proceeding on to the mountainous areas of Bougara (Harbil) and Taza, near Ziam in the governorate of Jijel.

Acting on tips, the National Gendarmerie conducted a vast sweep that put five terrorists out of action and resulted in the arrest of seven others following violent confrontations. In addition, law enforcement officers arrested another 84 terrorists, all members of the MIA, following wide-ranging investigations in the regions in question.

Gendarmes seized large quantities of weapons, munitions, powerful homemade bombs, drugs, and a battery of communications equipment. This major sweep by the National Gendarmerie and the admissions of a number of "Afghans" belonging to the MIA confirm once again the existence of the Afghan connection as a center of paramilitary training and indoctrination of young Algerians serving the fundamentalist international.

Algerians setting out on the Islamist adventure are generally recruited by elements of the former FIS [Islamic Front of Salvation], then sent to Afghanistan via the Pakistani city of Peshawar, where they are taken under the wing of

Algerians at various reception centers. From there, they are taken directly to training camps reserved for initiation and instruction in the use of weapons. The "training program" then moves on to propaganda classes and fundamentalist ideology lasting a maximum of two months. This basic training is reinforced by intensive propaganda on "the course of events in Algeria." One terrorist captured in Setif said the training is provided by Algerians, Iraqis, and Egyptians, all belonging to the fundamentalist international.

The same terrorist said that disagreements pitting Algerian Islamist parties against one another—the former FIS, Hamas and al-Nahdah in particular—have had an impact on the unity of "reception centers" reserved for Algerians in Afghanistan. Previous to the most recent events, the so-called Mouhadjirine house accepted all Algerians, but now there are two or three separate houses: one belonging to the former FIS, known as Beit El-Moudjahidine, and those of the other Algerian Islamist parties, known as Beit El-Djazairiyine and Beit El-Mouhadjirine.

These new revelations concerning the involvement of Algerian Islamist parties—previously not mentioned—in the training of terrorists abroad will revive the debate on the fate of these parties.

'Afghan' on Training in Peshawar

93AF0326E Algiers ALGER REPUBLICAIN in French
29 Dec 92 p 1

[Article by Omar El Mokhtar: "Singular Portrait of an 'Afghan'"]

[Text] *"They lied to us; they lied to us...." From Peshawar to Setif.*

It was sad, terribly sad, the youthful face on a man barely over 20, a face in distress exposed by the light of projectors. It was the face of an "Afghan," of a young Algerian like so many others, swept up in a black tunnel dirty with the blood of innocent victims.

Setif—Haggard, he appeared indifferent when answering the investigator's questions. One had the impression that what was happening in the room did not concern him. Not even the eye of the television camera bothered him. He almost looked drugged. To the investigator's questions, the young "convert" replied almost in Morse code.

"Why did you go to Afghanistan?"

"They told us that it was for Islam...."

"They" meaning whom?"

"The lecturers at the mosques and the emirs."

"How did you get to Afghanistan?"

"In El Oued, they handled the problem of our papers. The connection was organized by persons I do not know."

"Who took you in in Afghanistan?"

"Algerian leaders from the FIS [Islamic Front of Salvation], but before we got to Afghanistan we passed through

Peshawar, where we stayed a few days with the 'Ansars.' It is a place of transit and triage."

"What did you do in Afghanistan?"

"We were trained in the techniques of guerrilla warfare for six weeks in a camp officered by Saudis, Libyans, Palestinians, and Egyptians."

"Can you describe the training?"

"The use of weapons and explosives and participation in 'indoctrination clubs.'"

"Then what did you do?"

"We returned to Peshawar, where we stayed for over a week in the home of the 'mojahedin' before being sent to Algeria."

"How did you get back and who took you to Algeria?"

At this point, the man's eyes lit up. This time he looked his questioner straight in the eye and exploded in anger:

"They lied to us! They lied to us!"

"Explain what you mean."

After a moment of silence, a fragmented tale emerged, sometimes monotonous, sometimes animated. He continued: "They told us that those returning from Afghanistan were systematically imprisoned (five to 10 years) and that their parents would suffer repression.... The people rose up in Algeria. Half of the ANP [People's National Army] joined the mojahedin in the underground.

"The mojahedin control the field and are organized into a real army.

"The only resistance offered by the government is made up of infidel forces from Egypt and Syria."

Over and over he repeated:

"They lied to us; they lied to us."

The man then became calm and looked at the audience, his eyes resting on the ENTV [National Television Enterprise] journalist:

"Where is the organized army? Where are the ANP deserters? Where are the foreign forces? We ended up like fugitives in a cold, hostile forest. We chose to surrender. That is what I did in Darguinah (Bejaia)."

Internal Affairs

Woman Journalist Discusses Imprisonment

93AF0361A Algiers LE SOIR D'ALGERIE in French
12 Jan 93 p 2

[Interview with journalist Nacera Benali by Djazia Gozim; place and date not given: "The Worst Is Over"]

[Text] *It was difficult to talk to Nacera Benali in the midst of all the hugs and questions from her colleagues who had come to welcome her.*

Actually, she was so tired that she had decided as soon as she left prison to go straight home, and it was not until 24 hours

later that her colleagues and friends, along with people who had just come for a look, were able to approach and talk to her.

"You are the celebrity of the day," "Oh! our heroine!" and "You are radiant" were some of the phrases Nacera heard throughout our interview with her.

[Gozim] What was your incarceration like?

[Benali] At the Gendarmerie, there was interrogation every day until 0100. Then at the El-Harrach Prison, they put me in the infirmary along with another female prisoner. During the day I slept a lot and read the newspapers. At 1730 yesterday, they told me I was free to leave the prison.

No one knew it, and I took a taxi to where I live; there was euphoria and great joy at home.

[Gozim] Just how did things go on your first night of freedom?

[Benali] I couldn't close my eyes. I spent the whole evening with my family. I couldn't sleep because I was afraid of waking up in prison the next day. The telephone didn't stop ringing: colleagues, friends, and relatives—everybody wanted to inquire about me.

[Gozim] What are your impressions as you return to the newspaper today?

[Benali] First of all, I came on foot because I needed to walk. Naturally, I am pleased with the welcome from my colleagues and other fellow workers.

I thank everybody for their support, which did not leave me for a second and that helped me a lot during my stay in prison.

[Gozim] What about the experience sticks in your mind?

[Benali] It has to be the fact that this happened to me at the start of my career, so that I will have a clear idea in the future of what I must or must not do. I have seen the worst, so the future cannot hold worse things for me than that!

Citizens Asked To Turn in Arms

93AF0361D Algiers LE SOIR D'ALGERIE in French
11 Jan 93 p 3

[Article: "Citizens Asked To Turn in Hunting Guns"]

[Text] (APS)—The minister of interior and local communities has issued the following communique: "Several attacks on homes by armed criminals for the purpose of stealing hunting guns have been reported." The result, as part of the strengthening of preventive safety measures and in response to the wishes expressed by many citizens, the minister of interior and local communities is asking citizens who own shotguns to deposit their weapons temporarily with the police or the Gendarmerie.

This exceptional and temporary measure concerns residents of the governorates in the center: Alger, Boumerdes, Blida, Tipasa, Medea, Ain-Defla, and Bouira. Citizens who for various reasons may own hunting guns without a permit are also covered by these provisions.

Citizens in that situation are strongly advised to comply in order to benefit from regularization measures.

In all cases, a receipt will be issued to those depositing their weapons. Special steps will be taken to preserve the guns thus deposited so that they can be returned to their owners when the time comes.

For that purpose, owners are advised to take all necessary steps to ensure that their weapons will remain in good condition while deposited so that when the time comes, they can be returned in good operating order.

Citizens' Response to Terrorists Analyzed

93AF0370A Algiers L'HEBDO LIBERE in French
13-19 Jan 93 pp 11-14

[Article by Hajj Ali Youcef: "It Is Time the Public Fought Back"—first paragraph is L'HEBDO LIBERE introduction]

[Text] Hundreds of policemen and gendarmes have lost their lives in the wave of terrorism that has descended on Algeria. The security forces continue to pay the highest price of all to preserve peace and the country's future as a republic. Massacres and incessant bomb alerts have repeatedly triggered reactions of horror, maintaining a climate of rampant fear. And yet, whether unconscious and/or deliberate, the tendency to downplay terrorism persists and that attitude is suicidal.

Anesthesia

The media's handling of terrorism to date—vague and amateurish by its indulgence—has precluded any attempt to raise awareness of the dangers to which society is exposed. National television, except on one or two occasions, has failed miserably. The tendency to treat terrorism as a way of life continues, with only a handful of observers drawing attention to certain aspects of it, in particular following the assassination of Boudiaf. The fundamentalist Arabic-language press has contributed greatly to the trivialization of terrorism with its attempts to absolve the assassins. Segments of the French-language press contributed as well when LA NATION and LE QUOTIDIEN D'ALGERIE assumed the role of the republic's public accusers. And there are those who bemoaned the fate of assassin leaders, portraying one of them as "a gentle teddy bear dressed in a tunic." Tragically, they may not even be aware of the fact that their hands are indelibly stained with the blood of hundreds of victims of terrorism. They are to be pitied. A newspaper that had once been a leading voice against terrorism, ALGER REPUBLICAIN, began to trumpet the demise of fundamentalism on its front page under the headline "The Last Desperate Acts of Terrorism" and recently outdid the "conciliators" when it proclaimed—believe it or not—that "fundamentalism has ceased to be a threat to the republic."

One segment of public opinion contributes in another way to the trivialization of terrorism. It contends that we must try to live with terrorism and not overdramatize a phenomenon that also exists elsewhere. LIBERTE's general

editor wrote—in an editorial misleadingly entitled “Terrorism and its Antidote”—that terrorism “is not limited to Third World countries like Algeria. The West has learned to live with it.” In the same editorial, we are also told that “it is a proven fact that when men resort to violence, it is often out of despair” (LIBERTE 23 July 1992). That same view was put forward by a doctor in criminology in an interview with EL WATAN (22 November 1992): “Terrorism is not specific to Algeria; in other words, we are merely part of a worldwide trend. Terrorism and movements of revolt are the product of the changing political climate.” When asked by the journalist to explain why “society has found it difficult to react,” he replied that the absence of a reaction is to be expected because Algerian society has been marginalized for the past three decades, during which “it was not allowed to make its own choices, not even consulted about plans to build a new park or a new city hall. Algerian society was a bystander. How can you now expect that society to react?”

Thus, broadly speaking, there is a convergence of trivializing views of terrorism from various quarters. It is a collective form of anesthesia for which the republic is now paying dearly. Moreover, it appears that there has to be a direct ideological or financial benefit in order for the political class and most of the press to take interest in this phenomenon. Still, terrorism has the effect of speeding up the political decanting process.

‘A Black Hole’

True, Algeria is not the only country to experience terrorism, but the nature of Algerian terrorism, its roots, and the specific conditions that gave rise to it make the situation here radically different in every aspect from what certain Western countries experienced in the past or are now experiencing. We will look at some of those aspects later on, but one point must be made before we go any farther: At no time did the West resign itself to live with terrorism. The West invested unprecedented resources and energy in its fight against terrorism.

Guemmar, Bouzrina, Dar El-Beida, Apreval, and the crime of Laghouat are exceptionally grave deeds, if only because they were carried out in a very short period. Few countries have ever known slaughter on this scale and unrelenting pace, concentrated into a short time span.

Such carnage is not comparable to “social revolts,” if terrorism ever was a “social revolt.” The crimes committed here have a political-ideological dimension and underpinning. They are driven by a coldly subversive and reactionary desire to create a theocratic state.

A newspaper editor, and a progressive at that, was stunned to learn that top *daira* [municipal] officials were members of terrorist networks. Perhaps there would be less naivete if memories were refreshed. Indeed, the involvement of top municipal officials in terrorist groups should not come as a surprise given the fact that one year ago Algeria’s president, strangely accompanied by the speaker of the APN [People’s National Assembly], orchestrated the sinister prelude to deadly terrorism. It is not just the unemployed who inhabit the underground, and the attacks are

not dreamed up and carried out by hit men working in secrecy. Hundreds of teachers (50 percent of those who have repented), medical doctors, computer specialists, school principals, shopkeepers, Ph.Ds in science, and even an airline pilot have turned to terrorism in order to bring about a theocratic state. The movement naturally formed connections with every crook and criminal this society has produced. Terrorism also offers a violent outlet for the despair of young people affected by Algeria’s economic woes—both fanatics and those not yet won over to fundamentalism. But sociology and psychology alone cannot explain the terrorist phenomenon because, after all, the policies of the 1980s did much to create a fertile ground for fundamentalism, which, early on, began to infect the social fabric and public institutions (including the education system). While the jury is still out on the much maligned decade of the 1980s, Mr. Lacheraf has incisively described it as a “ghastly, gigantic black hole into which an entire people was made to descend” (ALGERIE ACTUELLE of 20-26 February 1992).

Having said that, the sociological and psychological approach can shed light on the reality of terrorism, but only on a part of it because psychology and sociology reduce terrorism to a prepolitical phenomenon, as pointed out by E. Razi. While they can offer insight into motivational processes and mechanisms, they do not explain the essential characteristics of terrorism which are:

- the highly organized nature of terrorism;
- its strict prioritization of targets, timing, and level of confrontation; and
- its use of the weaponry of war following well-planned tactical scenarios, as illustrated by the Apreval incident.

‘Every Victim We Take Is Another Hundred People Educated’

To return to the issue of society’s so-called passivity (although caution is in order given questions about what constitutes “passivity” and the lack of information), it is likely that the suppression of democratic, pluralist speech for three decades has left its mark on society and partly explains “society’s reaction” (although, there again, another question arises: Which part of society?) The lack of democratic traditions is no doubt one cause, but it does not explain everything in that we are no longer talking about consulting citizens on plans to build a new park or a new city hall. The issue now is how to confront a situation that threatens the very existence of Algeria. That being the case, the immediate goal of terrorism—no matter which country it strikes, no matter how deep-rooted a country’s democratic traditions may be—is to reduce society to “passivity” by alternating tension (bomb alerts) and horrifying slaughters.

By its very nature, it is a “terrorizing” movement. It creates a climate in which death can occur at any time or place so as to intimidate the population and paralyze institutions, thus destroying the “social trust” that is characteristic of every society that is civilized to some degree. In order to achieve that goal, terrorism needs a

maximum of publicity. Publicity as a means of reaching the public imagination is one reason why terrorists carry out high-profile attacks, whether striking a specific target (government figures, Benhamouda) or indiscriminately (Dar El-Beida, schools).

The Italian Red Brigades' sinister slogan encapsulates the terrorist strategy: "By targeting one person, we will educate one hundred." By maintaining a sense of latent insecurity and fear of the future, terrorism prompts reactions of the type "N'sselek rassi," even though such reactions are completely futile. It gives impetus to mind-numbing ideology fostering individualism and contributing to the atomization of society in an attempt to win the undecided over to the fundamentalist camp. The many repudiations made in December 1991 offer food for thought.

At another level, stepping up the cycle of violence/police crackdown/renewed violence to an extreme, terrorists seek to exploit the security forces' lack of experience and inconsistent preparation by luring them into situations that will almost inevitably cause them to exceed their authority or engage in some other reprehensible behavior. The aim is twofold: to turn public opinion against the security forces and to create dividends for certain political forces. Terrorism's destabilizing effect is all-pervasive; it even disrupts the normal functioning of the security institutions. Once they become daily targets of terrorism and are forced to devote most of their energy to combatting it, the security forces—particularly the police—are working in material and psychological conditions that do not allow them to perform their basic public service mission, which is to protect citizens and property, enforce the law, and defend civil liberties. Thus, every terrorist act works to turn the public against existing institutions and to erode trust and morale.

Taken one step further, the destabilizing process of terrorism forces the government to resort to emergency legislation. Terrorism—and terrorism alone—is to blame when society is deprived of guarantees of individual and collective rights in that it forces the imposition of restrictions on those rights.

In short, terrorism is the product of a profoundly totalitarian logic. History reveals that in certain circumstances terrorism—either by the far left or the far right—has given rise to indiscriminately repressive and bloody dictatorships. In the same vein, it is not impossible that internal and external forces, feeling threatened by the policies of the HCE [Higher State Council] and the government and willing to aid the fundamentalists, are attempting to seize control of the terrorist factor to provoke a totalitarian turn of events and thereby alter the process now under way. The profound irony is that terrorism condemns violence by the state and at the same time faults the state for not being repressive enough. Its aim is to destroy the state only to replace it with a cruel, blood-thirsty and totalitarian regime.

Caterpillars and Butterflies

While the (supposed) passivity of society—at least, the nonfundamentalist portion of society—is troubling, the

politician must recognize it as a fact and not reduce it to an simple question of morality. As long as there is no clear social consciousness of what is truly at stake, society cannot be faulted for being what it is. In that context, public statements by the political leadership can eliminate confusion, dispel illusions, and bring society out of its torpor, helping society to find the surest and least costly avenues to emancipation and acquire at long last the means it will need in order to triumph.

Society has found nothing of value in the political parties (or what remains of them). It is an outrage—although hardly surprising—that top officials of political parties have pretended not to realize the extraordinary gravity of the situation created by terrorism. When invited to respond to the HCE's announcement in July 1992 that it would wage a relentless battle against terrorism, nearly all resorted to the base political tactic of taking to a safe, middle ground, pointing fingers at both the government and the terrorists by condemning "terrorism of any origin." Not until the carnage in Dar El-Beida, which horrified the public, did they begin to shed their shameful neutrality, condescending to take a stand by issuing insubstantial communiques. As soon as emotions had subsided, however, they resumed their wait-and-see attitude, a macabre balancing act that can be called criminal, and that term is carefully chosen.

In early November 1992, the Association of National Security Retirees of the West published a plea for an end to the "silence of shame." In an open letter, the association stated that "the situation has become intolerable and threatens to trigger uncontrolled reactions. For that reason, to continue to wait is to participate directly in these crimes, sharing responsibility with their perpetrators" (EL WATAN 12 November 1992). The plea was addressed to all of society, including the government. It clearly hints at the possibility that the situation could suddenly escalate into a civil war, but the officials of the political parties—without exception—are content to focus on insignificant partisan concerns. They have other interests. In order to prove that they still exist, party leaderships issue lengthy position papers on a minister's dismissal that they would like to elevate into a national issue, or on a question of office space, allowing it to monopolize their energies. Some are in a hurry to get into power or to be appointed to the cabinet; others are suddenly moved to bursts of oratory dissecting the remains of a former political party; and there are even those among them who find time to "send the working class to paradise" free of charge.

The fact that a Nahnah or a Djaballah looks to Sudan or Iran as a model is part of the order of things, the latter having recently said that "the measures adopted by the current government are completely out of step with the aspirations of the Algerian people" (EL WATAN 4-5 December 1992). But what can be said of those who call themselves believers in democracy and who quibble over the reasons for the curfew, which they perceive as an attempt to manipulate and pressure the political parties? Are they claiming that it is impossible to engage in political activity between the hours of 0500 and 2200? Or that there

is no political activity outside the Algiers area? And what can be said of the political party that uses its weekly journal as a vehicle for political hysteria and systematic provocation, no doubt hoping that its publication will be banned so that the Socialist International will proclaim it a martyr of the police state?

Politically derelict in the face of the deadly madness that is terrorism, the "political class" is partly to blame for what the press has called "society's passivity." Their base tactics have pushed politics back into disrepute—that is, politics in the noble sense of the term, the sort that does not give up the ship, particularly when it is about to sink. The "political class" has once again been disqualified by its own behavior, its failure to come to the aid of Algeria at a time of need. Obsessed with the quest for power, the "political class" brings to mind the following image: "imbeciles who are fond of butterflies but who kill the caterpillars." It is an image used by the author of the novel *Ninety-Three* (a novel that has a certain relevance to our times, as a friend pointed out).

Inevitably, there are greater democrats than we who will construe these remarks on the cowardice and moral bankruptcy of waning political parties as a surreptitious attempt to "demonize the opposition." But the facts cannot be erased and the current state of affairs is an unforgiving judge.

The Need for a State

Will it finally be realized that with terrorism raging in Algeria, it is neither the HCE nor the career of Mr. Belaid Abdesselam that is now at stake. By its very essence, terrorism is the cult of barbaric violence that shatters society into amorphous, passive pieces; it violates universal values of progress and emancipation; it is the negation of democracy and the destruction of Algeria. Therefore, it can no longer be an affair of the HCE, the Cabinet, or the state—a state that does not yet exist, or in the words of Mr. Boukhoubza, a modern state whose foundations "have yet to be designed, built, and buttressed." The building blocks of a state and state institutions painstakingly put into place during the first few years of independence were eroded and vandalized over the past 10 years to the point that the state was eventually laid bare for all to see. As Mr. Boukhoubza recently wrote, "After the last elections, it was realized that the Algerian state in its civil form and substance was virtually an empty shell.... It was ineffective, regularly defied and questioned in many quarters—commerce, the schools, the university, city hall, the mosque, the street...even within the central government agencies" (EL WATAN 6-7 March 1992).

Since November 1954, Algeria's goal has been to achieve its ideal of a modern national state. That is only four decades—a mere 40 years! The Western governments and parliamentary systems that are held up as models by many democrats, took centuries to build. There is no need to review here what that process entailed and the price that was paid.

Because the Algerian state is fragile, the situation brought on by terrorism bears no resemblance to what happened or

what is happening in certain European nations. West Germany and Italy experienced terrorism by the ultraleft "Red Army Faction" and the "Red Brigades." At the other end of Europe, Turkey had the ultraright "Grey Wolves." Terrorism still lingers in France (the FLNC [Corsica National Liberation Front]), Great Britain (the IRA [Irish Republican Army]), and Spain (the ETA [Basque Fatherland and Liberty]). Its continued presence in these countries is explained by the fact that these terrorist campaigns have historic dimensions and separatist roots that are centuries old. While they are long-lived and still manifest themselves on occasion, they have no political prospects.

Italy was terrorized by leftist extremists who had no grass-roots following and who claimed that their deeds had ideological motivations. The Italians were profoundly shocked by two terrorist acts in particular: The bombing of Bologna's train station and the 1978 kidnapping of the Social Democratic president, Aldo Moro, who was taken hostage in broad daylight in the center of Rome after his five bodyguards were slain in cold blood.

In 1978, with the adoption of a strategy of slaughter, the terrorist campaign shifted into a second phase consisting of high-profile violence. Until 1974, Italy had to cope with "black terrorism" and its strategy of maintaining tension, which was succeeded by "red terrorism," the product of the degeneration of the 1968-style ultra-left wing. With the assassination of Aldo Moro, the Red Brigades claimed to have "struck at the heart of capitalism." Aldo Moro, it should be noted, had championed greater cooperation with the left; the entire terrorist strategy of the 1970s was essentially aimed at preventing Italy from enacting far-reaching democratic changes and at destroying confidence in potential reforms. The assassination of Moro, judges, and union officials triggered an immediate mobilization of the country's democratic forces that condemned the terrorists' crimes and distortions.

As many commentators will agree, experience has shown that terrorism seeks to destroy one particular characteristic of the state: its democratic nature.

Western countries responded to the rise of terrorism by signing an agreement for police cooperation against terrorism on 27 January 1977 in Strasbourg, and at the same time laid the foundations for European unity in law enforcement matters, commonly referred to as "the network of Europe's police forces."

In each of the Western countries, in varying forms and to varying degrees, a deeply rooted and powerful national consensus emerged in support of democratic and republican values. No political party would dream of revealing a desire to question those values even if it harbored such a desire, as it would mean the demise of that party. It is unimaginable that terrorist groups could seriously threaten Western governments and their institutions, now firmly rooted. But that is not the case in Algeria. The Algerian context and situation cannot be compared to those of Europe.

In its most lawless moments, when it turns to murderous violence, terrorism is the manifestation of a brutal clash

between forces of society whose ideals and programs are totally irreconcilable. Terrorist violence places a country in greater jeopardy and the outcome is more uncertain when that confrontation involves two opposing visions of what society should be (i.e., two societies that exist only in the minds of their proponents). Modern, republican Algeria has not yet secured its existence. On 26 December 1991, Algeria foundered on the shoals of theocracy and was nearly lost. That is evidence in support of the contention that societies having attained a certain type of development—at least in appearance—are at risk of regressing and lapsing into a previous state because they have not reached a sufficient level of homogeneity and cohesion.

We are now faced with what is a paradox in appearance only: a society without a state in "its civil form and substance" and a power structure (which can, in fact, exist in the absence of a modern state) without a society actively committed to the anti-terrorism effort.

Lacking a "political infrastructure," those in power are forced to resort to alternate forms of intervention in order to ensure the republic's survival. In these conditions, the ANP remains the only force capable of preventing the break-up of the country or—what would amount to the same thing—the rise of a totalitarian theocratic regime.

Behind this seeming paradox, in the relationship between the state and society, lies the deeper question of the nation-building process. Algeria, like any other social entity, will not become a nation, with the historical synthesis that entails, merely by creating a government. History reveals, in fact, that the state and its institutions have generally preceded the nation and play a powerful and direct role in shaping society.

Enlisting Society in the Battle Against Terrorism

The current state of the Algerian state, which is struggling under the additional burden of combatting a terrorist campaign bent on destroying it, is one of many factors that have created the present situation that contains the seeds of an uncertain end to this century. In addition, there are social tensions that are bound to grow as inevitable economic reforms are enacted, the debt burden, unsustainable population growth, the decay of educational institutions, and the disastrous rise of population ideology, to name only a few other factors. Today, Algeria is experiencing its worst crisis since independence, but there are exalted populists, servile guardians of the people, who still maintain with astounding composure and unfathomable stupidity that Algeria's crisis is a "molehill."

Some will dismiss the foregoing as the musings of a doomsayer, but the truth is that the adulators of power are back—they who only yesterday were preparing the graves of Boudiaf, the HCE, and the people. The republic cannot benefit in any way from those who are once again extolling the virtues of the people. In the land that is the cradle of the Organization of African Unity, the descendants of those who under the leadership of Menelik inflicted a humiliating defeat on Italy's troops, are now reduced to begging aid from the international community. The Italian state—far more structured and powerful than ours—had

the support of Italian society in its fight against terrorism and still took years to overcome terrorist groups that had no significant following.

As the expression of a vast undertaking of mass counter-revolution, fundamentalist terrorism is a lasting phenomenon. To deny its endemic nature is to dig one's own grave, for the ingredients of a deterioration similar to Lebanon's and an end similar to Somalia's are potentially present.

Algeria is no longer threatened with mere decline. The terrorist cancer threatens to destroy Algeria outright. At stake is the survival of the country and that is the task before us. Those who ignore it while engaging in inane talk about the breakdown of the "electro-democrato-gram" and like-minded aficionados of detective story plots involving the "political-financial mafia" (a convenient catch-all phrase that applies to no one and everyone, creating a distraction and masking the fundamental issue, which is a program for society) are caught up in one great, tragic joke. Once again, they are missing a rendezvous with history. Securing the future of modern Algeria will take at least one generation during which time the fight against theocratic ambitions and fundamentalist violence should help to forge one of the characteristics of modernity: citizenship. It may be thought that the birth date of Algerians is a distinctive sign that they are predestined for modernity, but the postwar generation is no more qualified or capable than its predecessor to lead the battle.

Right now, fundamentalist terrorism is still the primary danger. It is taking lives and destabilizing institutions so as to deny them any possibility of becoming democratic. It is preventing the country from bringing its economic and social problems under control. It is attempting to turn social conflicts into anarchy.

Democracy is an illusion unless state institutions are efficient and competent—in a word, professional. Democracy is not a solution to social conflicts and the clash of views; it allows them to be resolved in a civilized fashion, without barbaric violence.

The fight against terrorism requires a combination of actions. Not only is it necessary to punish terrorist acts and dismantle terrorist networks; it is imperative to isolate terrorism politically and counter its corrosive effect on public faith in the country's institutions (and their ability to change) so that there will be a powerful, massive mobilization by society, determined to build a modern, democratic state in the form of a republic. In that process, the Algerian citizen, as the product and conscious artisan of his history, will finally rise to become a citizen of the third millennium. In order to reach the point at which these now widely scattered forces will crystallize and change into energy, the road will no doubt be difficult. But Algeria must become a modern society before the ideals of November can be irreversibly affirmed, and events—often acting independently of human will and in their own ways—will not allow any short cuts.

Homeless Receive Shelter Due to Curfew*93AF0326A Algiers ALGER REPUBLICAIN in French
23 Dec 92 pp 1, 5*

[Article by Hakima Boussaidane: "The Curfew: A God-send"]

[Text] *The curfew has now been in effect for two weeks. By 2230, everyone must be safely home by the fire. And yet, after the "deadline," what happens to that segment of the population known as the "homeless"? What do they do? Where do they go? Where do they spend their nights? The "crazies," the bums, the beggars, i.e., the children, men and women who spend their days roaming the streets of Algiers?*

A few weeks before the curfew went into effect, the police, working together with the People's Council of the City of Algiers (CPVA) and the Health Department, began a humanitarian operation targeting society's misfits in the governorate of Algiers.

To date, more than 500 "nuts," bums, beggars, and tramps have been housed at various centers in the capital.

A total of 12 children between the ages of four and 12 have been taken to the children's center in Draria.

The Dely-Ibrahim Center has been reserved for women, while men have been housed at the Bab-Ezzouar old-age home. Teenagers have been sent to Birkhadem. Finally, society's rejects have regained the warmth and welcome they once had, but lost somewhere along the way. For them, long live the curfew!

At the Central Police Station, we are told that over two months ago, the police, working in cooperation with the People's Council of the City of Algiers and the Health Department, launched a cleanup campaign to help the poor.

A full-time team of officers has been assigned the task of "picking up" any such persons roaming the streets of Algiers and its suburbs.

We were informed that women are taken to the Dely-Ibrahim Center, men to the Bab-Ezzouar old-age home, teenagers to Bir-Khadem, and children to the El-Achour Center.

The officer in charge of the operation explained that "poor persons who have come here from other areas will be sent back to their native governorates."

The CPVA is providing the material aid needed to ensure the success of the operation.

The Health Department is responsible for orientation and medical consultations for the poor. Director of Social Welfare Tahri gave more details: "It is a public health operation aimed at bums, beggars, and prostitutes."

"What concerns us most in this entire operation is the fate of the children," he says, "the innocence that is lost in the streets: It is hard for us to take them from their mothers, whether they be beggars, prostitutes, mentally ill or simply old...."

Children are taken for medical checkups, "cleaned up," and housed at Draria Children's Village, where they live with families in real houses with children from other places. Surrogate mothers raise them as if they were their own.

It should be noted that these children, who are between the ages of four and 12, have never been to school. At Children's Village, they first go to preschool and then real school. Tahri noted that the Village is financed by a foreign institution.

As for the mentally ill, "The psychiatric commission that has been set up decides, on a case-by-case basis, whether ambulatory treatment or admission to a psychiatric hospital is required," he emphasizes.

The women, whether young or old, beggars or prostitutes, are more difficult to handle than children or the insane. "They protest, scream and yell, become aggressive, try to get away."

"Even when we talk them into accepting shelter at our centers, they soon escape."

The "sweep" operation continues every day, round the clock.

The elderly are taken to the Bab-Ezzouar Center, where they are fed, bathed, and housed. They come and go freely and are not locked up because they are completely harmless.

Tahri notes that "most of these homeless persons come from other governorates, mainly Kabylie."

As for those sent to centers in their native governorates, he explained that: "They are transported in buses after being 'cleaned up' and dressed. They are accompanied by supervisors and social welfare workers. Unfortunately, some of our colleagues send them back to us—I am referring to Guelma (Hammam Debagh) and Tiaret—and I hope the governor will correct this."

Of the 1,200 homeless persons living in the streets of Algiers, 500, including 12 children between the ages of 4 and 12, have been picked up and "housed" so far.

Aures: Police Uncover Arms Cache*93AF0326D Algiers EL WATAN in French 29 Dec 92
pp 1-2*

[Article by B.H.: "Weapons Trafficking in Aures"]

[Text] Khenchela—The Kais Gendarmerie has just arrested 32 persons for weapons trafficking. Presumably receiving their supply from Egypt, the individuals appeared before the court in Kais yesterday. An additional 30 weapons of various calibers were seized as the result of investigations conducted by gendarmes in different regions of the governorates of Khenchela and Batna.

Acting on tips, gendarmes seized a large arsenal of military and hunting weapons and automatic pistols.

The Gendarmerie's investigation was to continue in Batna, Merouana, and Barika, where officers seized weapons and arrested numerous persons involved in the manufacture of pistol barrels.

Six automatic pistols, designed for 8-mm ammunition or for which the ammunition had not been used or could not be found, had been converted. Heavy blackjacks were also being made from motorcycle shock absorbers. An ax, a small dagger with a holster, a crossbelt for an automatic pistol, assorted automatic pistols, and homemade rifles were also seized.

Most of those arrested were peasants, but a pharmacist, an FLN [National Liberation Front] Kasma secretary, and a cook from Batna University were among them.

Some 25 individuals were from the governorate of Khenchela and the regions of Bouhmama, Yabous, and Taouziant. Seven are from the governorate of Batna and not affiliated with any party.

The leader, a native of Batna, is being actively sought by the Gendarmerie.

Based on intelligence gathered, the Beretta pistols are probably from Egypt.

At dawn yesterday, the Gendarmerie cordoned off the Kais court where this important case is being handled.

Several indictments for conspiracy, illegal possession of weapons, and so on should be expected.

The inquiry continued in the afternoon, but no information was released. We were also able to obtain details on a bomb planted at Chihani Bachir Lycee in Khenchela.

It was made of fine gravel and white powder mixed with an unidentified kind of chalk. The ignition device had four 1.5-volt batteries, electric wire, and a detonator, all connected to a timer.

According to information in our possession, the bomb failed to explode because of defective batteries.

The investigation is still under way, but the authorities remain silent. Residents wonder how the author(s) got into the lycee and believe that guards should be stationed at all schools.

Book Published: Crimes by Former FIS Members
93AF0374B Algiers ALGER REPUBLICAIN in French
14 Jan 93 p 5

[Unattributed article: "Publications Against Terrorism: The Anger of the Just"]

[Text] The Association of Victims of Fundamentalist Terrorism has just published a booklet on crimes now being committed: *Les Manoeuvres destructrices de la nation par l'ex-FIS* [Former Islamic Salvation Front Maneuvers Which Are Destroying the Nation].

In this work we read of the full extent of the horror of the attack on the airport. This book points a finger. Photographs of the attack show bodies covered with blood. Here is one caption: "Crimes committed against human beings by pseudoreligious fanatics."

This booklet attacks the former Islamic Salvation Front [FIS] on its own ground. It says: "Ex-FIS infidels, by preaching *fitna* and hatred among Muslims, have increased the number of underhanded, pernicious maneuvers to pit the brothers and citizens of a single country against each another."

Sacred texts were badly interpreted to the point where "the ex-FIS criminals cast aspersions on Islam's sacrosanct values of *rahma*, tolerance, and love." The book explains the rise in violence in these terms: "The virulent, slanderous, and seditious sermons attacking democracy, the appeals to unrest and civil disobedience, the slurs, and the terrorism were what made up the program of Satan's followers, who launched their monstrous onslaught by attacking the symbols of the Algerian nation."

By parodying the true nature of the young Algerian Republic, which is learning every day to meet its challenges, the pseudo-religious ex-FIS fanatics who are in desperate straits are carrying out a scorched earth policy.

"Attacks carried out against innocent lives and the defenders of the nation have put the ex-FIS criminals into the tribunal of the conscience of free peoples and the scaffold of just anger of Algerian nationalists who love their homeland." Inasmuch as only the law comes first, and true Algerian blood could not lie, Algerian youth has once again shown its true colors by rejecting the "talk of hatred and by fiercely opposing the extremists and all detractors of the greater Algerian nation," the book concludes.

Trebendo Flourishes to Detriment of Local Markets

93AF0355B Casablanca LA VIE ECONOMIQUE in French 15 Jan 93 p 19

[Article by Jamil Bennis, special correspondent in Algiers: "Black Market: Life Through Rose-Colored Glasses"]

[Text] "Trebendo" is suffocating whole sectors of the economy. But it provides a livelihood for more than a million people. Every government has promised to combat it. Without success, at this point...

The Facultes tunnel, in the heart of downtown, looks like Ali Baba's cave. Here one can find lingerie, perfume, shoes, ready-to-wear clothes, essential toiletries. Merchandise is hung from hooks, or spread out on the ground when there is no more room. A dense and diverse crowd strolls about in this marvelous passageway that was constructed to make life easier for pedestrians. In one corner, a voluble woman haggling for dear life tries to trim a few dinars more off the price before pulling out a thick wad of bills with an air of tragic resignation. A set of lingerie made in China—pajamas and dressing gown—is sold for 2,000 dinars (the minimum wage is 3,500 dinars). The same set can be purchased at Derb Ghallef for 190 dirhams. The rate of exchange is 1 French franc [Fr] to 10 dinars, 1 dirham to 6.5 dinars. Gross profit on the lingerie set is a little over 800 dinars. A Camembert [cheese] obtained for Fr9 in Marseille and resold for 140 Algerian dinars yields a profit of 50 dinars per box.

Wherever you go, the black market—"le trebendo"—reigns supreme, filling the gaps in local production, which is of shoddy quality and at all events tragically insufficient. The feverish pace of commerce in two FIS [Islamic Salvation Front] fiefdoms—Rue de Chartres in the lower Casbah, and the Laaqiba market in the populous Belcourt quarter—has made some entrepreneurs very rich, very quickly. You can find anything: electronic equipment, designer jerseys, Italian dress shoes, cashmere jackets, brand-name sports shoes, hardware from Singapore, Japanese televisions, real American jeans and shirts. Surging into these temples of "bizness" [the black market] and into innumerable small boutiques scattered around the country are hundreds of thousands of consumers who crowd the streets slowing vehicular traffic to a crawl. Rich merchants provide airplane tickets, hotel rooms, and pocket money to unemployed youths willing to travel to France, Italy, Spain, and Morocco and escort back to Algeria suitcases, bundles, shopping baskets, and trunks packed full of anything that is in short supply on the local market—which is to say almost everything. Cartons of American cigarettes by the truckload stream like water through a sieve across the country's 6,400 km of borders. Emigrants returning to Algeria empty their foreign bank accounts in order to purchase—for resale to redecorate the homes of the nouveau riche—the furniture that their residency card entitles them to bring in [duty free] under the highly sought "relocation" exemption: In the first half of January, with one French franc worth 10.25 dinars—the exchange rate

having broken through the 10-to-1 barrier, which previously no one had thought possible—a bedroom suite offloaded at the port has already found a taker at 200,000 Algerian dinars: a windfall!

Lead to Gold

While trabendists have made fortunes in this lucrative trade, the same cannot be said for the state-owned textile sector, which has been clobbered by what an enterprise manager calls "unfair competition." In the space of five years the sector's repeated shouts of alarm have turned into an urgent "SOS": Inventory stocks continue to pile up while Algerians at every income level would rather purchase foreign imitations than buy what passes for the corresponding local product at one-tenth the price. Hamid, 28, drives a white Golf and gets as much "mileage" out of it as possible whenever he takes the East Highway. As a student on his way to becoming an oral surgeon, he very quickly realized what he was up against: With inflation in the double digits on the official market (triple digits on the parallel market), he soon saw the futility of his efforts. For the last four years, he has been provisioning himself in Sentier (Paris), returning to Algeria with sackloads of buttons for the country's innumerable garment makers, many of them unlicensed. Buttons purchased for 5 centimes apiece are resold for 2.50 dinars; thanks to the philosopher's stone of chronic penury, the button market can turn base metals into gold. "Le trebendo" already has its own little history and glorious hall of fame: The airline that flew between Algiers and Istanbul in the 1980s has been shut down. Four times a week, airplanes loaded to the limit discharged goods that went straight into the black market. Customs formalities were handled in a chaotic and hopelessly confused environment that lent to the international airport—ostensibly the country's premier showcase—a rather pathetic appearance. Increasingly heavy taxes and customs duties failed to stop the influxes, because at the end of the pipeline there were always customers willing to pay, no matter how they scowled at the price. In a country where excessive printing of currency over many long years had bloated wage levels, consumers had enough left over to purchase luxuries after buying the essentials. For years, especially when oil was \$40 a barrel and the French franc stood at 10 to the dollar, the government sought—cleverly, as it thought—to appease growing discontent by inundating the Algerian market with food products and household appliances: The PAP or Anti-Penury Plan, eventually collapsed, and when the petromanna dried up, after the oil crisis of 1986, Algerians (now completely "hooked") turned to the black market, which in very short order filled the vacuum left by the withdrawal of the faltering state. With the budget crisis worsening and the debt burden growing by billions of dollars, the state was increasingly unable to act as a purveyor of goods, leaving the black market as the only sector of activity capable of meeting the needs of the economy and doing so instantaneously. A motorist whose car breaks down cannot find the spare parts he needs anywhere, no matter how desperately he searches among legitimate retailers. With heavy heart, he resolves to betake himself to the El Harrach market, on the eastern outskirts

of the capital: There he will find the answer to his problems—but only by paying top dollar. In this nation, which is so unrealistic that most of its commercial activity is illicit, *trebendo* has evolved far beyond the stage of fly-by-night entrepreneurs. Businessmen who became wealthy decades ago reselling on the parallel market products they purchased from the public sector have joined forces and pooled their resources to control an activity that cheats the treasury of at least 50 billion dinars a year. Customs officers sometimes yield to the seductive temptations of corruption: The institutional image of customs took a devastating blow last summer with the eruption of the so-called D-15 scandal, named for the form used to authorize duty-free entrance of foreign goods in "transit" status. Trucks ostensibly just passing through Algerian territory were in fact dropping off their merchandise in-country before proceeding empty to their final destination. The profits that entrepreneurs made off this ruse were dazzling in their own right, quite apart from those raked in by corrupt officials, and the investigation is still under way. Now and then the government experimented with legalizing commerce in "nonprohibited" merchandise: Merchants who had the foreign exchange were given permission to import exotic fruits. A kilo of bananas purchased for Fr2 wholesale at the Marseille produce market netted 37 dinars in taxes for the public coffers. Unexpectedly, the arrival of bananas retailing for 120 Algerian dinars per kilo allowed the price of local oranges to be reduced. Thousands of crates of pineapples, apples, pears, avocados, and kiwis flooded the market, angering hundreds of thousands of poor Algerians who could not understand why the government would give priority to dessert foods over medicines at a time when pharmacies stood virtually empty, unable at any rate to keep essential medications in stock.

Public Good

After the October 1988 riots, "Mickey Mouseland"—as Algeria was called in the early and mid-1980s by the "young"—became "Kiwi Mouseland," a reference to the exotic fruits, inaccessible to the masses, that were perceived as a concomitant of the liberal reforms then initiated. Economists and sociologists began to study the contraband phenomenon. Calculations were made and conclusions were drawn: Between 1 and 1.2 million people were earning their livelihood from black-market activity, and although "le *trebendo*" might be placing whole sectors of the economy in jeopardy, it was one of Algeria's largest employers, second only to the state itself. In short, there were only two possible solutions: interdict it or legalize it. Under the first option, state-owned industries such as manufacturers of household appliances would revive, but the number of jobless would quickly climb by at least 1.2 to 1.5 million; under the second, which the authorities were considering for at least a short while, there was hope of assessing and collecting tens of billions in taxes to restore the state's depleted coffers. To date, every government since 1988 has promised to attack the problem, but so far none has taken action. The black market inspires so many passions and affects so many interests that even the murder of Mohamed Boudiaf in June 1992 was imputed to

the "politico-financial mafia," an implicit admission that corruption—a prerequisite for *trebendo*—had infected the government at every level. In the last few months of 1992, Prime Minister Belaid Abdesselam decreed the black market must die and set the execution for 1 January 1993, the date the new finance law went into effect. Algerians, concerned by this measure and fearful of a return to the privations of the past, descended in droves on the "Souk el Fellahs" (five-and-dime department stores) to carry off the last "luxury items" imported by the state on lines of credit. Vendors easily moved washing machines selling for 25,000 dinars, televisions for 30,000, food warmers for 7,000. The manager of one such store admits a large part of its turnover is derived from imported products, which carry profit margins much larger than those on price-controlled, state-subsidized items. Black marketeers, treading cautiously in the face of the government's threats but convinced their activities serve the "public good," still see life through rose-colored lenses. In one housing-development warehouse, Youcef—in the 1970s a mere college student, today he is a billionaire—talks to visitors with the satisfied air of a "self-made man" who has amassed a fortune large enough to keep at least the next three generations of his family in comfortable circumstances. Boxes of chocolate bars, chewing gum, and candy imported by the truckload from Egypt are piled up to the ceiling: "If black-market operators were prevented from plying their trade, most would start working for the FIS, one way or another. I hope the 'houkouma' has given that some thought."

Projects To Revitalize Textile Industry

93AF0374A Algiers ALGER REPUBLICAIN in French
14 Jan 93 p 2

[Article by Belkacem Rouache: "The Textile Industry: Atrophy"]

[Text] *The textile industry as well, if it does not change, is experiencing problems getting moving again. Its dependency on raw materials and spare parts and the weight of overstaffing are the main causes for the atrophy of this industry, one which, however, used to flourish.*

The inflationary effects of current economic conditions as well as low productivity have also strongly contributed to make this industry plunge into a death spin.

The industry employs close to 450,000 people: 100,000 in the public sector, 100,000 in private industry, 100,000 in manufacturing, and 150,000 in distribution.

It is an industry that generates many jobs. For example, in 1990 Morocco created 45,000 jobs.

In the area of production, established industrial potential is important. It can produce a diversified range of products such as industrial textiles, woven fabrics, manufactured articles, and hosiery.

However, for the reasons mentioned above, production barely exceeds 50 percent of capacity.

With regard to sales, these are experiencing one of the oddest phenomena. Whereas supply has recorded an increase, some industry companies are not able to sell their goods.

So the monopoly and shortage situation, which has been in existence for years, has not encouraged business owners to adapt to customer needs and prepare for competition.

Encouraged by the famous slogan "imports without payments," this weakness was exploited, in particular by the "illegal trade network" that would grow, starting in 1986, at a spectacular rate.

Indeed, more than 100 metric tons of clothes pour out each day at the Algiers airport.

Will the protection promised by the state to production help revitalize the industry? Particularly when we know that manufacturing costs are hard to determine and sale prices are constantly rising.

An official at the Textile Industries Group (GITEX) told us that steps have been taken to integrate production machinery and reduce the level of imports of raw materials.

So this group's plan foresees an expansion of cotton growing. This undertaking will be carried out on an area of approximately 40,000 hectares and employ close to 11,000 people.

Starting in 1986, trials took place in Batna, Laghouat, and Seboud, which have yielded acceptable results. It was because of this that the Cotton Production and Development Enterprise (PRODEC) was established in 1992.

This enterprise, we were told, will act as the "locomotive" to draw private [investors] and small businessmen into becoming interested in growing [cotton], as is done in many countries such as Mali. However schemes to attract interest must be set up, in particular purchasing rules and minimum guaranteed prices.

On that subject, we were told that discussions are under way with agencies of the Agriculture Ministry to define ways and means to implement this project.

According to this official, this project, once it becomes operational, will make it possible for Algeria not to have to import approximately 35,000 metric tons of fibers currently imported each year at a cost of \$63 million. And that does not include subproducts [such as] table oil and animal feed, which are currently being imported.

With regard to the synthetic fibers industry, which plays a major role in the supply of textiles, we were told that negotiations have taken place, in particular with the petrochemicals industry, which will supply the textile industry with basic products.

So "to carry out these projects, revising the investment code and lifting certain customs and tax restrictions...can-not but generally help attract farmers and businessmen into investing in this area," it was observed.

With regard to partnerships, we have learned that GITEX is in contact with Spanish and Italian firms to set up mixed

companies or other types of subcontracting, such as the case of ECOTEX [expansion not given] with Lois to manufacture "jeans."

With regard to exports, some deals have been made with East European countries as part of debt repayment. And similarly there have been studies and advice given out by ENEDEM [expansion not given] in Libya and could extend to other African countries.

But will that be enough to revitalize this industry?

Deficit in Electricity Production 'Persists'

93AF0355A Casablanca LA VIE ECONOMIQUE
in French 15 Jan 93 p 9

[Article by D.M.: "Load-Shedding: Stopgap Measure That Persists"]

[Text] The importation of 100 megawatts of electricity from Algeria as part of the plan to interconnect domestic and foreign power grids is not going to be enough: The deficit in electricity production persists. All sorts of measures to adjust demand and supply are being considered or have already been decided. In the meantime, however, the situation is critical....

There is something good to be said for breakfast at Enjeux, in addition to the quality of pastries served. This month Mr. Alaoui M'Daghri, minister of energy and mines, was on hand to answer participants' questions. "What if enterprises that choose to operate between 1700 and 2200 were made to pay more?" asks one manufacturer. An indirect way of putting the question whether the price of electricity is going up? More like the expression of a pressing need: The constraints resulting from seasonal underproduction of electricity owing to the current drought are wreaking havoc in industry. Some Casablanca industrialists estimate their production capacity is down 20 percent. But nothing is being said about raising rates: Everyone is still in suspense.

"Could we at least be warned before power is cut off?" Unfortunately not, the minister explains, since so-called unscheduled outages are usually the result of emergencies. In other words, power must be cut to avoid systemwide breakdown. One consolation, at least for Mr. Alaoui: Even the residential zones of Anfa are affected. All the same, the minister of energy and mines took advantage of this occasion to recapitulate the actions taken and the plans gotten under way by his department, such as those announced at his 6 January press conference (cf. LA VIE ECONOMIQUE of 8 January 1993). One figure to keep in mind: Between now and the year 2000, the implementation of a 45-billion dirham investment program.

Creation of CNES Revisited for 1993

93AF0326C Algiers EL WATAN in French 29 Dec 92
p 1

[Article by Khaled Mahrez: "CNES: Set for Early 1993"]

[Text] The National Economic and Social Council (CNES) will finally become a reality early next year, probably following the publication of the HCE [Higher State Council] program on 14 January 1993.

The creation of this advisory body, a kind of economic and social parliament including all manner of economic and social operators, was scheduled for the end of 1991, but postponed at least twice because of the political situation.

The Hamrouche government had previously considered the creation of the CNES but never followed through. Ghazali tried twice, but each time the political situation got in the way.

In December 1991, Ali Benouari, minister delegate to the Treasury in the Ghazali government, announced that the CNES would be set up before the end of the year. The order was already on Chadli Benjedid's desk and needed only his signature, but the former president resigned before affixing it!

Reappointed by the late President Boudiaf, Ghazali included the establishment of the CNES on his agenda and forwarded the proposal to the CCN (National Advisory Council), which was to take it under advisement in June of 1992.

Boudiaf was assassinated on 29 June 1992 and the CNES was fated to remain on the drafting board for many more months to come. This time, however, it will apparently become a reality.

A decision was made and should be finalized early next year. The CNES will come under the authority of a chairman and have several specialized committees. Representatives from every area of economic and social activity will be found on them.

Based on its makeup, the CNES will be a center for debate, an exchange of views, and reflection leading to the drafting of major decisions in the economic and social domains. According to a preliminary report drafted by a working group in the Ministry of Justice under the preceding government, the CNES was to include three types of representatives:

Members appointed by presidential order based on demonstrated expertise in economic and social fields; members of boards, associations, and professional organizations appointed for specific qualifications (or chosen by their employer organizations); and any Algerian or foreign experts whom the Council might bring in (see ALGERIE ACTUALITE, 4-10 June 1992).

Under the current circumstances, which are marked by a flagrant failure to seek consultation on or debate major economic options, creation of the CNES appears to be more essential than ever.

Because differing views and divergent interests in particular will be represented on it, debate within the CNES will make it possible to clarify many misunderstandings and arrive at decisions on major economic and social issues enjoying universal support. The CNES was originally set up in November 1968 by the late Houari Boumediene, but

the latter dissolved it in 1975 shortly after the resignation of its chairman, Cherif Belkacem.

Lack of Trade Laws Said Stifling Accords

93AF0361B Algiers LE SOIR D'ALGERIE in French
10 Jan 93 p 3

[Article by Brahim Tah: "Waiting for the Commerce Code"]

[Text] *Joint ventures are continuing to suffer the torments of a stifling bureaucracy caused by inadequate and ineffective legislation that completely contradicts the very spirit of the economic reforms and the opening-up of the market to foreign firms as part of the partnership program.*

Algiers—Mr. Costa, director of the Italian economic delegation, tells us that "more than 30 or 40 partnership projects are all set to go, but cannot get started for various reasons." Some have been unable to obtain approval from the Council on Currency and Credit, one example being the PMA/UFI (Italian Universal Filter) joint venture, which is intended to produce a total of 10 million filters of all kinds per year.

Others, on the other hand, are being held up because they are not entered in the trade register. This is the case with the SARPI joint venture, whose partners are Sonatrach [National Company for the Transport and Marketing of Hydrocarbons] and SAE Sadelmi, itself a member of the giant ABB Group, whose turnover exceeds \$50 billion per year. That joint venture filed its papers with the CNRC [National Trade Register Center] in June 1992. It was given a receipt with the notation "no trading license."

The SARPI firm has three Italian managers, two of whom live in Algeria. The third manager is director for all of Africa and, for obvious management reasons, cannot reside permanently in Algeria. The stakes are high, because SARPI will be in charge of doubling the Trans-Mediterranean gas pipeline scheduled for 1995.

When that construction is complete, Italian imports of gas will rise from \$3 billion to \$5 billion, whereas Italian exports to Algeria did not exceed \$1 billion in 1991. So there is justification for developing trade in order to ensure a degree of equilibrium in the trade balance. Considering Algeria's economic and financial situation, we feel that the partnership formula provides the best solution for developing nonhydrocarbon production and Italian technology transfer. Our position is not a negative one: we want to see conditions for investment and trade established in a clear and precise legal framework. The Algerian Government is sensitive to the constraints facing joint ventures operating in Algeria, and this is true especially since the visit to Rome by government adviser Ait Challal. That visit gave new impetus to our mutually profitable relations.

Another obstacle, and not a minor one, affects relations between joint ventures and the tax authorities. For example, Article 31 of the Direct Tax Code stipulates that

newly established joint ventures are to benefit from complete tax exemption for from three to five years when they locate their facilities in depressed areas or development zones.

But now another law has come along to challenge that privilege by allowing the exemption only to what are classified as priority activities.

That rule was included in the 1992 budget, which, on the pretense of amending and supplementing Article 31 of the Direct Tax Code, actually excludes joint ventures from tax exemptions while blocking opportunities creating wealth and employment.

When are the commerce and investment codes going to be promulgated? It will be recalled that the minister of small and medium-size business and industry promised us they would be promulgated in January 1993.

Promulgation of those two codes will have the merit of sweeping away all the contradictions contained in the various disparate legal texts and setting forth a clear legal framework leaving no room for ambiguity or varying interpretations.

Market Economy Reportedly Not in Near Future
93AF0361C Algiers ALGER REPUBLICAIN in French
11-12 Jan 93 p 2

[Article by Belkacem Rouache: "Zero Competition"]

[Text] Mentalities are hard to change. The revival of production is creaking along, and the market economy is not going to arrive tomorrow. Despite a degree of balance between supply and demand—brought on by a drop in the purchasing power of destitute citizens—there is still zero competition.

How could things be otherwise? New habits have been instilled in us for over a decade now. The noble values that

once incited us to work have been abolished, and increasingly, out of a desire to turn Algerians into "sterile consumers," a race of people of "independent means" has been produced.

And those people of independent means are now firmly fixed in the folds of society. They are everywhere in the private sector. They regulate and plan our future through spheres of influence existing between them and us. They block every economic recovery program. They like to swim in troubled waters.

To cite only a few specific examples, the shoe merchants in the village of Khemisti recently called in the National Gendarmerie to take action against one of their competitors who had lowered his shoe prices. After checking, it was found that he had acted entirely within his rights. In the eyes of those peculiar complainants, lowering one's prices is a crime!

In our state-owned firms, general managers who were persistently demanding autonomy have not, as it turns out, produced the results expected. On the other hand, they have continued to play for time by turning to the state every time to fill their empty cash drawers (with taxpayer money).

That is not enough: now they are again asking the state to protect their products—often of questionable quality and sold at excessive prices—while condemning a possible return to monopolies.

Even the vegetable merchants have become environmentalists. In every batch of vegetables one buys, one finds lumps of dirt—an encouragement for us to beautify our balconies with flower pots.

In countries where trade obeys the laws of competition, merchants reduce their profit margins and increase their sales to build turnover, but in our country, some of our merchants use any means to get rich quick.

Fortunately, these birds are not at all representative of the great majority, who are struggling to leave the old speculative practices behind. Healthy competition can help them do so.

NTIS
ATTN PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD VA

2

22161

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.



This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.